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C O N F I D E N T I A L SECTION 01 OF 02 DOHA 002038

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SUBJECT: SECRETARY OF ENERGY BODMAN'S MEETING WITH AMIR OF QATAR

Classified By: CDA Scott McGehee for reasons 1.4 (b) and (d).

1. (U) U.S. Energy Secretary Samuel W. Bodman met with the Amir of Qatar, Sheikh Hamad bin Khalifa Al Thani, on November 15, 2005, in the course of a two-day visit to Qatar. Secretary Bodman also visited energy installations and met

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with resident U.S. business executives. The meeting with the Amir took place at the Wajbah Palace in Doha. Present were Sec. Bodman and his party, including Mrs Diane Bodman; Ambassador Chase & Mrs Diana Untermeyer; Minister of Energy Abdullah al-Attiyah; Sheikh Abdulrahman bin Saud al-Thani, President of the Amiri Diwan; and Abdullah al-Jaber of the European & Americas Division of MFA.

QATARI-AMERICAN RELATIONS

2. (C) Sec Bodman began by telling the Amir, "I came first and foremost to thank you for what you have done for our country and in particular for your contribution to relieve the suffering of our citizens after Hurricane Katrina and what you have done for our troops." The Amir thanked him, commenting that the troops "seem to be enjoying themselves."

3. (C) At the meeting's close, the Amir said he wants to cooperate with the US and turned to Minister al-Attiyah to say, "Abdullah, we need more cooperation with them, especially in heavy, medium, and light industry."

ENERGY

4. (C) The Secretary said recent storms demonstrated the vulnerability of the US energy infrastructure. He said close to one million barrels of oil and 5 billion cubic feet of gas a day is still "shut in" the Gulf of Mexico. He talked about the new US energy law, which he said aims to rebuild this infrastructure, especially for electricity. "Our president has a vision of an energy strategy that relies on oil and gas for many years but diversifies into coal and nuclear (power)," Bodman said.

5. (C) The Amir said that increasing demand for energy in China, India, and possibly Brazil will put upward pressure on the price of oil. These countries need to explore for energy resources within their own borders. "Otherwise," he said, "the price will go up and up."

6. (C) Bodman said, "This is the first time in my life that the price of oil is set by traders, not the producers. In the old days I could call the Minister and complain. I can't do that anymore." He thanked the Amir for Qatar's efforts in OPEC "to keep our markets well supplied."

7. (C) The Secretary said that as a former chemical engineer he was very impressed with Ras Laffan Industrial City, which he toured the day before. He praised the Amir and Minister al-Attiyah for taking the risk to develop Qatar's gas resources "back when the price of gas was a tenth of what it is today." The Amir recalled heated Cabinet debates 20 years ago over whether to build Ras Laffan, sparked by ministers who had personal investments in what was then the country's main oil port, Umm Said. "Now, anyone who visits Ras Laffan wants to buy (our gas), because the facilities are all there."

8. (C) Secretary Bodman also noted favorably the close working relationship between Qatar's ministers of energy and finance. "Usually (in other countries) they fight," he said. Looking at al-Attiyah, the Amir said, "The problem here is that our energy minister almost dominates our finance minister. But they are both in the same boat. Each one realizes that if you are to have the money, they must cooperate. In Kuwait, everything is jammed." (Note: This was said jocularly, because Minister al-Attiyah is famously voluble, and the more taciturn finance minister, Yusuf Kamal, is another strong man of the government who serves concurrently as chairman of Qatar Petroleum.)

QATAR

19. (C) The Secretary asked the Amir about his vision for Qatar "and what role we could aspire to have in a continuing close relationship." In his reply, The Amir emphasized Qatar's aim to promote better education for the entire Middle East. He cited the American campuses in Education City and noted the establishment of two huge endowments to support future spending on health and welfare. The Amir said Qatar will have its first parliamentary elections "next year." (Note: Post continues to believe these elections will not be held until early 2007, if only because so much national effort in 2006 will be put into hosting the Asian Games, to be held at year's end.)

IRAQ/IRAN

10. (C) Bodman sought the Amir's views on both Iraq and Iran, especially the latter's nuclear ambitions. The Amir said, "I believe Iran is winning the situation (sic) in Iraq and in Palestine. I believe Iran will build nuclear weapons; I don't know who can stop them. Iraq will continue to be an unstable place for the Americans and the Iraqis themselves. I don't know how to manage the situation; I don't know how the Arab League can help Iraq. The situation will continue like this. I can't see the future for Iraq in the short- and middle term. The Iranians are causing the Shias to make things unstable for the Americans."

11. (C) Bodman replied by saying the US is "doing our best" to constrain Iran. "They need technology. We have reasonably good intelligence on what they're doing, and they're not there yet. We believe we are having some success in convincing other countries what (the Iranians') intentions are. I don't have to convince you, but we have trouble with our European partners. We need a united front. But if (the Iranians) are willing to spend the money, they'll eventually get (nuclear weapons)."

12. (C) The Amir offered a wisp of hope for peace, saying, "The Iranians are an old culture. I don't think they will make the same mistakes as Saddam."

RUSSIA

13. (C) Minister al-Attayah asked Sec Bodman's view of Russia. "I feel better about Russia," the Secretary replied. He said the head of Rosatom, the Russian nuclear agency (name not gotten), is a senior officer. "Our first concern is proliferation. We shared what we have learned about physical security. They haven't been very trusting of us; they are concerned we have military intentions, which we don't. They are reticent to accept help but are increasingly receptive(. There are some worrisome pieces of information about what they are doing behind the scenes, but they seem to be responding. We have a group working with five different committees of theirs on accident response and other things we worry about. It's been going pretty well for about two years. People get along; they have the same objective. I feel better about that than I do Iraq and Iran."

14. (C) Bodman said that after President Bush and President Putin met in Bratislava in February, he (Bodman) got two assignments: To work on non-proliferation and to develop close commercial relations with the Russians. The latter has been hard, he said: "They don't want to have it with anyone."

CHINA

15. (C) Secretary Bodman said North Korea "is a real problem." The Amir agreed and said China seems in no hurry to do anything about it. Bodman said, "China doesn't seem in an hurry to do anything." The Amir laughed and said, "I agree totally."

INDIA

16. (C) Secretary Bodman said, pursuant to a pledge from the President to the Prime Minister of India, that his department is working with India to help develop a civilian nuclear reactor technology, which that country "desperately" needs. There are some political issues arising in the US Congress, due to the fact India has not signed the world non-proliferation treaty. "But our president has said in effect that it's time to recognize reality and work more closely together."

17. (C) The meeting was highly cordial, characteristic of the Secretary's entire visit to Qatar. Minister al-Attiyah was

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particularly attentive throughout the Secretary and Mrs Bodman's three-day visit to Qatar, hosting them (and the Untermeiers) at several meals, including one with his family at their home, a rare and signal honor.

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